

Report on The Jory Apartments TIF District Plan

Jory Apartments TIF District Plan Adopted by the City of Salem

Date

Ordinance No.____

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TABLE OF CONTENTS

I.	DEFINITIONS	1
II.	INTRODUCTION	3
II.	THE PROJECTS IN THE AREA AND THE RELATIONSHIP BETWEEN TIF DISTRICT PROJECTS AND THE EXISTING CONDITIONS IN THE TIF DISTRICT	6
III.	THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS.....	7
IV.	FINANCIAL ANALYSIS OF THE PLAN	7
V.	THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED	11
VI.	THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT.....	11
VII.	REVENUE SHARING.....	11
VII.	IMPACT OF THE TAX INCREMENT FINANCING.....	12
IX.	COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF TIF DISTRICTS/URBAN RENEWAL AREA	16
X.	EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES	18
XI.	REASONS FOR SELECTION OF EACH PLAN AREA IN THE PLAN	22
XII.	RELOCATION REPORT	23

I. DEFINITIONS

“Agency” is the City of Salem Urban Renewal Agency created under ORS 457.035 and 457.045.

“Affordable Housing” is housing that is available to residents earning an average of 80 percent or less than the Area Median Income (AMI). It assumes housing is available to residents at a range of incomes, at or below 80 percent of AMI.

“Assessed value” means the total assessed value as of real, personal, utility and manufactured structures assessed value as determined by the county assessor.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting an urban renewal or TIF District plan.

“City” means the City of Salem, Oregon.

“City Council” or “Council” means the Salem City Council.

“Comprehensive Plan” means the City of Salem Comprehensive Plan and its implementing ordinances, policies, and standards.

“County” means Marion County, Oregon.

“Fiscal Year” means the year commencing on July 1 and closing on June 30.

“Fiscal Year End” or “Fiscal Year Ending” means the year that the fiscal year ends.

“Frozen base” means the total assessed value including all real, personal, manufactured, and utility values within a TIF District area at the time of adoption. The county assessor certifies the assessed value after the adoption of a TIF District plan.

“Increment”, “Tax increment”, “tax increment financing” or TIF” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in a TIF District area, or portion thereof, over the assessed value specified in the certified statement.

“Maximum Indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

“ORS” means the Oregon Revised Statutes and specifically Chapter 457, which relates to urban renewal and tax increment financing.

“Plan” or “TIF District Plan” means the official plan for the TIF District pursuant to ORS 457.

“Plan Area” or “TIF District Area” means a blighted area included in a TIF District Plan or an area included in a TIF District plan under ORS 457.160.

“Project(s)” or “TIF District Project(s)” means any work or undertaking carried out under the Jory Apartments TIF District Plan.

“Report Accompanying Jory Apartments TIF District” or “Report” means the official report that accompanies the Jory Apartments TIF District Plan pursuant to ORS 457.085(3).

“Revenue sharing” means sharing tax increment proceeds as defined in ORS 457.470.

the funds that are associated with the division of taxes accomplished through the adoption of a TIF District plan.

“Strategic Plan” means the City of Salem Strategic Plan adopted in 2017.

“Tax increment finance district” or “TIF District” means a blighted area included in an urban renewal plan.

“TIF District Area” means a blighted area included in a TIF District Plan or an area included in a TIF District plan under ORS 457.160.

“TIF District Plan” means a plan, as it exists or is changed or modified from time to time, for one or more TIF District areas, as provided in ORS 457.

“Tax increment revenues” means the funds allocated by the assessor to a TIF District area due to increases in assessed value over the frozen base within the area.

“TSP” is the City of Salem Transportation System Plan.

“Urban Renewal” means the statutory authority provided in ORS 457. In this Plan it is synonymous with TIF District.

“URA” means urban renewal area and in this document refers to the urban renewal areas that exist in the City of Salem.

II. INTRODUCTION

The Report on the Jory Apartments TIF District Plan (“Report”) contains background information and project details that pertain to the Jory Apartments TIF District Plan (“Plan”). The Report is not a legal part of the Plan but is intended to provide public information and support the findings made by the Salem City Council (“City Council”) as part of the approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. The Report accompanying the Plan contains the information required by ORS 457.085, including:

- A description of the physical, social, and economic conditions in the area;(ORS 457.085(3)(a))
- Expected impact of the Plan, including fiscal impact in light of increased services; (ORS 457.085(3)(a))
- Reasons for selection of the area; (ORS 457.085(3)(b))
- The relationship between each project to be undertaken and the existing conditions; (ORS 457.085(3)(c))
- The estimated total cost of each project and the source of funds to pay such costs; (ORS 457.085(3)(d))
- The estimated completion date of each project; (ORS 457.085(3)(e))
- The estimated amount of funds required in the area and the anticipated year in which the debt will be retired; (ORS 457.085(3)(f))
- A financial analysis of the Plan; (ORS 457.085(3)(g))
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; (ORS 457.085(3)(h)) and
- A relocation report. (ORS 457.085(3)(i))

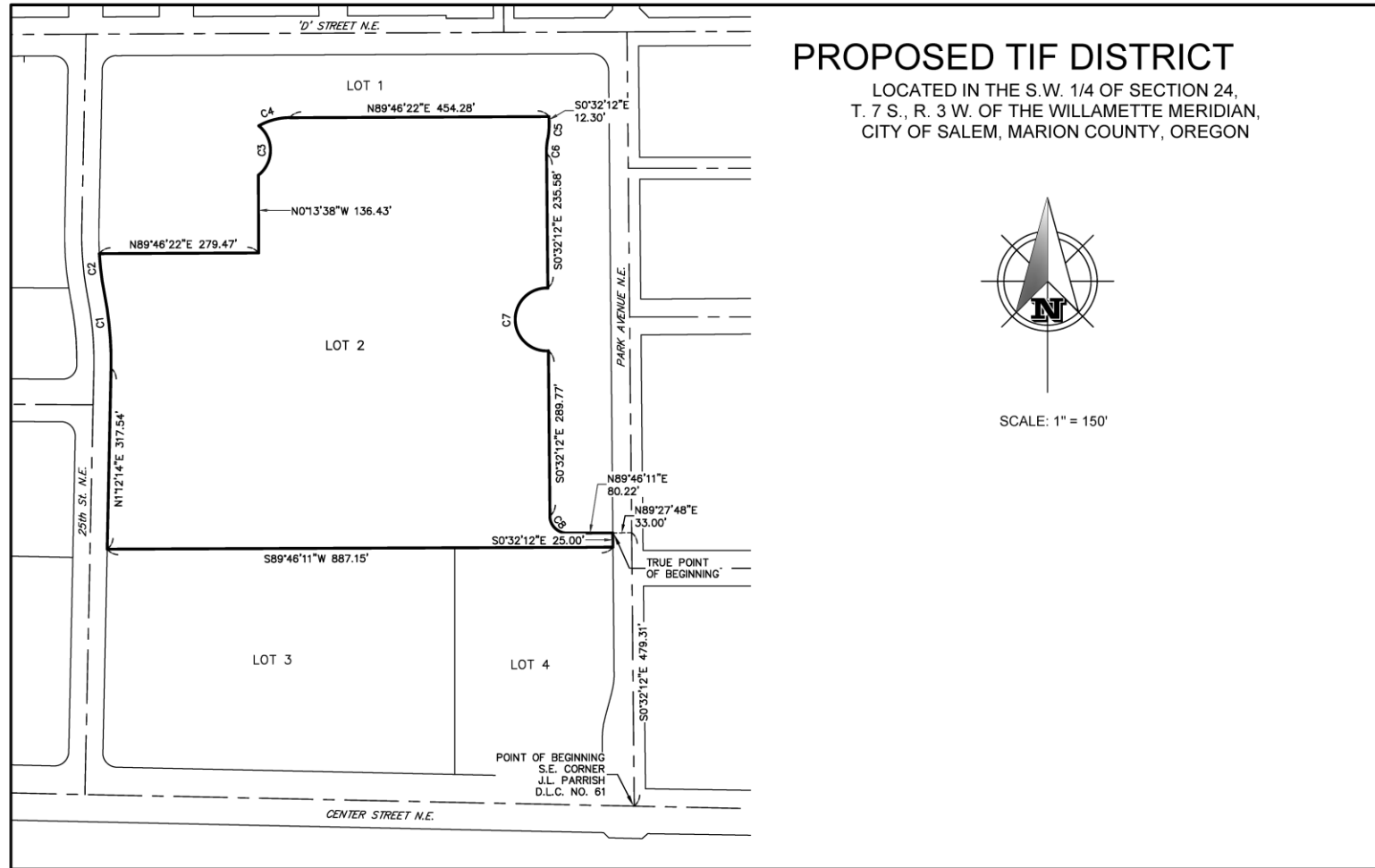
The relationship of the sections of the Report and the ORS 457.085 requirements is shown in Table 1. The specific reference in the table below is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute.

Table 1 - Statutory References

Statutory Requirement	Report Section
ORS 457.085(3)(a)	X, VIII
ORS 457.085(3)(b)	XI
ORS 457.085(3)(c)	II
ORS 457.085(3)(d)	III
ORS 457.085(3)(e)	VI
ORS 457.085(3)(f)	IV,V
ORS 457.085(3)(g)	IV,V
ORS 457.085(3)(h)	VIII
ORS 457.085(3)(i)	XII

The Report provides guidance on how the Plan might be implemented. As the Salem Urban Renewal Agency (“Agency”) reviews revenues and potential projects each year, it has the authority to adjust the implementation assumptions in this Report. The Agency may allocate budgets differently, adjust the timing of the projects and make other adjustments to the financials as determined by the Agency. The Agency may also make changes as allowed in the Amendments section of the Plan. These adjustments must stay within the confines of the overall maximum indebtedness of the Plan.

Figure 1 – Jory Apartments TIF District Area Boundary



Source: City of Salem

II. THE PROJECTS IN THE AREA AND THE RELATIONSHIP BETWEEN TIF DISTRICT PROJECTS AND THE EXISTING CONDITIONS IN THE TIF DISTRICT

The projects identified for the Jory Apartments TIF District Area (“Plan Area”) are described below, including how they relate to the existing conditions in the Plan Area.

A. *Developer Incentives*

The Agency may provide incentives to developers for the development of affordable housing units in the Plan Area. This will be completed through a development agreement with the developer, builder or property owner that stipulates the amount and timing of the development and the amount and timing of the incentive. These incentives will be a rebate of a portion of property taxes paid.

Agency/City of Salem (“City”) staff will conduct pre-development meetings with the developer, builder or property owner to identify the unique financing needs of the site. Staff will recommend a financing package to the Agency that will contain recommendations on the appropriate length of incentive through negotiations with the developer/builder/property owner for the development of the housing units. The Agency will approve the incentives and the ultimate signing of a development agreement containing those incentives and a commitment by the developer/builder/property owner for the production of the housing units.

A guideline for the amount of incentive is established in the Report accompanying the Plan. This is a guideline only, balancing the needs for administration, incentives, and infrastructure needs.

Existing Conditions: The property is currently undeveloped and in public ownership. There are transportation deficiencies as identified in Section X of this Report. There is a lack of affordable housing in Salem¹ and this project will increase the supply of affordable housing.

B. *Administration*

The Agency may provide administration of the Plan including but not limited to staff support, legal counsel assistance, review of annual payments, financial statements, budget preparation and annual reports pursuant to ORS 457.460.

¹ Salem Strategic Plan Fall 2017, p.10.

Existing Conditions: Since there is not a Plan, there are no existing dollars allocated to administration of the Plan.

A table showing the projects and total estimated costs is shown in Table 2. The total costs are estimated based on the projected future assessed value of the project.

III. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The total cost estimates for the projects are shown in Table 2 below. These are all estimates acknowledging that these project activities must fit within the maximum indebtedness. These costs are shown in nominal, year of expenditure (YOE) dollars, and are equal to the maximum indebtedness of \$20,725,125. The estimated project costs assume a 97% rebate to the developer and 3% to the Agency for administration of the Plan.

The Agency will be able to review and update fund expenditures and allocations on an annual basis when the annual budget is prepared.

Table 2 - Estimated Cost of Each Project

Project	Estimated Cost	Percentage of Total
Developer Incentives	\$ 20,103,371	97%
Administration	\$ 621,754	3%
TOTAL	\$ 20,725,125	100%

Source: City of Salem and Tiberius Solutions

IV. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through fiscal year ending (“FYE”) 2063 are calculated based on projections of the growth in assessed value of new development within the District and the consolidated tax rate that will apply in the TIF District.

Table 3 shows the incremental assessed value, tax rates, and tax increment revenues each year, adjusted for discounts, delinquencies, truncation loss, and receipt of delinquent taxes from prior years. In Oregon, when the full amount of the property tax bill is paid by November 15, the tax payer gets a 3 percent discount. If the tax payer pays two thirds of the tax by November 15, they get a 2 percent discount. To get a discount on the current year's tax bill, all delinquent taxes, penalty, and interest must first be paid in full.²

The first year of tax increment collections is anticipated to be FYE 2023. Gross tax increment financing (TIF)³ is calculated by multiplying the tax rate times the excess value used. Excess value is the increased assessed value over the frozen base. The tax rate is expressed per thousand dollars of assessed value, so the calculation is "tax rate times excess value used divided by one thousand."

² www.oregon.gov/dor, Property Tax Payment Procedure

³ TIF is also used to signify tax increment revenues

Table 3a - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Total AV	Frozen Base	Increment	Increment Not Used	Increment Used	Tax Rate	Gross TIF	Net TIF	Admin Cost	Rebate
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15.2430	\$ -	\$ -	\$ -	\$ -
2023	\$ 17,818,979	\$ -	\$ 17,818,979	\$ -	\$ 17,818,979	\$ 15.2430	\$ 271,615	\$ 263,466	\$ 7,904	\$ 255,562
2024	\$ 18,353,549	\$ -	\$ 18,353,549	\$ -	\$ 18,353,549	\$ 15.2430	\$ 279,763	\$ 271,370	\$ 8,141	\$ 263,229
2025	\$ 18,904,155	\$ -	\$ 18,904,155	\$ -	\$ 18,904,155	\$ 15.2430	\$ 288,156	\$ 279,511	\$ 8,385	\$ 271,126
2026	\$ 19,471,280	\$ -	\$ 19,471,280	\$ -	\$ 19,471,280	\$ 15.2430	\$ 296,801	\$ 287,897	\$ 8,637	\$ 279,260
2027	\$ 20,055,418	\$ -	\$ 20,055,418	\$ -	\$ 20,055,418	\$ 15.2430	\$ 305,705	\$ 296,534	\$ 8,896	\$ 287,638
2028	\$ 20,657,081	\$ -	\$ 20,657,081	\$ -	\$ 20,657,081	\$ 15.2430	\$ 314,876	\$ 305,430	\$ 9,163	\$ 296,267
2029	\$ 21,276,793	\$ -	\$ 21,276,793	\$ -	\$ 21,276,793	\$ 15.2430	\$ 324,322	\$ 314,593	\$ 9,438	\$ 305,155
2030	\$ 21,915,097	\$ -	\$ 21,915,097	\$ -	\$ 21,915,097	\$ 15.2430	\$ 334,052	\$ 324,030	\$ 9,721	\$ 314,309
2031	\$ 22,572,550	\$ -	\$ 22,572,550	\$ -	\$ 22,572,550	\$ 15.2430	\$ 344,073	\$ 333,751	\$ 10,013	\$ 323,739
2032	\$ 23,249,726	\$ -	\$ 23,249,726	\$ -	\$ 23,249,726	\$ 15.2430	\$ 354,396	\$ 343,764	\$ 10,313	\$ 333,451
2033	\$ 23,947,218	\$ -	\$ 23,947,218	\$ -	\$ 23,947,218	\$ 15.2430	\$ 365,027	\$ 354,077	\$ 10,622	\$ 343,454
2034	\$ 24,665,635	\$ -	\$ 24,665,635	\$ -	\$ 24,665,635	\$ 15.2430	\$ 375,978	\$ 364,699	\$ 10,941	\$ 353,758
2035	\$ 25,405,604	\$ -	\$ 25,405,604	\$ -	\$ 25,405,604	\$ 15.2430	\$ 387,258	\$ 375,640	\$ 11,269	\$ 364,371
2036	\$ 26,167,772	\$ -	\$ 26,167,772	\$ -	\$ 26,167,772	\$ 15.2430	\$ 398,875	\$ 386,909	\$ 11,607	\$ 375,302
2037	\$ 26,952,805	\$ -	\$ 26,952,805	\$ -	\$ 26,952,805	\$ 15.2430	\$ 410,842	\$ 398,516	\$ 11,955	\$ 386,561
2038	\$ 27,761,389	\$ -	\$ 27,761,389	\$ -	\$ 27,761,389	\$ 15.2430	\$ 423,167	\$ 410,472	\$ 12,314	\$ 398,158
2039	\$ 28,594,231	\$ -	\$ 28,594,231	\$ -	\$ 28,594,231	\$ 15.2430	\$ 435,862	\$ 422,786	\$ 12,684	\$ 410,102
2040	\$ 29,452,058	\$ -	\$ 29,452,058	\$ -	\$ 29,452,058	\$ 15.2430	\$ 448,938	\$ 435,470	\$ 13,064	\$ 422,406
2041	\$ 30,335,620	\$ -	\$ 30,335,620	\$ -	\$ 30,335,620	\$ 15.2430	\$ 462,406	\$ 448,534	\$ 13,456	\$ 435,078
2042	\$ 31,245,688	\$ -	\$ 31,245,688	\$ -	\$ 31,245,688	\$ 15.2430	\$ 476,278	\$ 461,990	\$ 13,860	\$ 448,130
2043	\$ 32,183,059	\$ -	\$ 32,183,059	\$ -	\$ 32,183,059	\$ 15.2430	\$ 490,566	\$ 475,849	\$ 14,275	\$ 461,574
2044	\$ 33,148,551	\$ -	\$ 33,148,551	\$ -	\$ 33,148,551	\$ 15.2430	\$ 505,283	\$ 490,125	\$ 14,704	\$ 475,421

Source: Tiberius Solutions

Table 4b - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Total AV	Frozen Base	Increment	Increment Not Used	Increment Used	Tax Rate	Gross TIF	Net TIF	Admin Cost	Rebate
2045	\$ 34,143,007	\$ -	\$ 34,143,007	\$ -	\$ 34,143,007	\$ 15.2430	\$ 520,442	\$ 504,829	\$ 15,145	\$ 489,684
2046	\$ 35,167,297	\$ -	\$ 35,167,297	\$ -	\$ 35,167,297	\$ 15.2430	\$ 536,055	\$ 519,973	\$ 15,599	\$ 504,374
2047	\$ 36,222,316	\$ -	\$ 36,222,316	\$ -	\$ 36,222,316	\$ 15.2430	\$ 552,137	\$ 535,573	\$ 16,067	\$ 519,505
2048	\$ 37,308,986	\$ -	\$ 37,308,986	\$ -	\$ 37,308,986	\$ 15.2430	\$ 568,701	\$ 551,640	\$ 16,549	\$ 535,091
2049	\$ 38,428,255	\$ -	\$ 38,428,255	\$ -	\$ 38,428,255	\$ 15.2430	\$ 585,762	\$ 568,189	\$ 17,046	\$ 551,143
2050	\$ 39,581,103	\$ -	\$ 39,581,103	\$ -	\$ 39,581,103	\$ 15.2430	\$ 603,335	\$ 585,235	\$ 17,557	\$ 567,678
2051	\$ 40,768,536	\$ -	\$ 40,768,536	\$ -	\$ 40,768,536	\$ 15.2430	\$ 621,435	\$ 602,792	\$ 18,084	\$ 584,708
2052	\$ 41,991,592	\$ -	\$ 41,991,592	\$ -	\$ 41,991,592	\$ 15.2430	\$ 640,078	\$ 620,876	\$ 18,626	\$ 602,249
2053	\$ 43,251,340	\$ -	\$ 43,251,340	\$ -	\$ 43,251,340	\$ 15.2430	\$ 659,280	\$ 639,502	\$ 19,185	\$ 620,317
2054	\$ 44,548,880	\$ -	\$ 44,548,880	\$ -	\$ 44,548,880	\$ 15.2430	\$ 679,059	\$ 658,687	\$ 19,761	\$ 638,926
2055	\$ 45,885,347	\$ -	\$ 45,885,347	\$ -	\$ 45,885,347	\$ 15.2430	\$ 699,430	\$ 678,447	\$ 20,353	\$ 658,094
2056	\$ 47,261,907	\$ -	\$ 47,261,907	\$ -	\$ 47,261,907	\$ 15.2430	\$ 720,413	\$ 698,801	\$ 20,964	\$ 677,837
2057	\$ 48,679,764	\$ -	\$ 48,679,764	\$ -	\$ 48,679,764	\$ 15.2430	\$ 742,026	\$ 719,765	\$ 21,593	\$ 698,172
2058	\$ 50,140,157	\$ -	\$ 50,140,157	\$ -	\$ 50,140,157	\$ 15.2430	\$ 764,286	\$ 741,358	\$ 22,241	\$ 719,117
2059	\$ 51,644,362	\$ -	\$ 51,644,362	\$ -	\$ 51,644,362	\$ 15.2430	\$ 787,215	\$ 763,599	\$ 22,908	\$ 740,691
2060	\$ 53,193,693	\$ -	\$ 53,193,693	\$ -	\$ 53,193,693	\$ 15.2430	\$ 810,831	\$ 786,507	\$ 23,595	\$ 762,911
2061	\$ 54,789,503	\$ -	\$ 54,789,503	\$ -	\$ 54,789,503	\$ 15.2430	\$ 835,156	\$ 810,102	\$ 24,303	\$ 785,799
2062	\$ 56,433,189	\$ -	\$ 56,433,189	\$ -	\$ 56,433,189	\$ 15.2430	\$ 860,211	\$ 834,405	\$ 25,032	\$ 809,373
2063	\$ 58,126,184	\$ -	\$ 58,126,184	\$ -	\$ 58,126,184	\$ 15.2430	\$ 886,017	\$ 859,437	\$ 25,783	\$ 833,654
TOTAL							\$ 21,366,108	\$ 20,725,125	\$ 621,754	\$ 20,103,371

Source: Tiberius Solutions

V. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

The maximum indebtedness is \$20,725,125 (Twenty Million Seven Hundred Twenty Five Thousand One Hundred Twenty Five Dollars). This is also the estimated total amount of tax increment revenues required to service the maximum indebtedness as no formal borrowings or interest payments are anticipated in the Plan.

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The schedule for projects will be based on the availability of funding. The projects will be ongoing and will be completed as directed by the Agency. Annual expenditures for program administration are shown in Table 2.

The Agency is anticipated to complete the project and to terminate the Plan in FYE 2063, a 41 year tax rebate program.

VII. REVENUE SHARING

Revenue sharing targets are not projected to be reached during the life of the Plan.

Revenue sharing is defined in ORS 457.470 and requires that the impacted taxing jurisdictions will receive a share of the incremental growth in the Plan Area at specifically defined thresholds. The first threshold is when annual tax increment finance revenues exceed 10% of the original maximum indebtedness of the Plan (10%=\$2,072,512). At the 10% threshold, the Agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold and the taxing jurisdictions will receive 75% of the increment above the 10% threshold.

The second threshold is set at 12.5% of the maximum indebtedness. If this threshold is met, revenue for the district would be capped at 12.5% of the original maximum indebtedness, with all additional tax revenue being shared with affected taxing districts.

VII. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the TIF District.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the TIF District. These projections are for impacts estimated through FYE 2063 and are shown in Table 5 and Table 6.

The Salem Keizer School District and the Willamette Regional Education Service District (“ESD”) are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the Plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. If new school aged students move into these units and attend the local schools, the funding through the State School Fund would increase.

Table 5 and Table 6 show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. Table 5 shows the general government levies, and Table 6 shows the education levies.

Table 5 - Projected Impact on Taxing District Permanent Rate Levies - General Government

FYE	General Government						Subtotal
	Marion County	City of Salem	Marion Soil & Water	Marion County Extension & 4H	Regional Library	Salem Mass Transit	
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$52,289	\$100,794	\$864	\$864	\$1,414	\$13,152	\$169,377
2024	\$53,857	\$103,818	\$890	\$890	\$1,456	\$13,546	\$174,458
2025	\$55,473	\$106,932	\$917	\$917	\$1,500	\$13,953	\$179,692
2026	\$57,137	\$110,140	\$944	\$944	\$1,545	\$14,371	\$185,083
2027	\$58,852	\$113,445	\$973	\$973	\$1,591	\$14,802	\$190,635
2028	\$60,617	\$116,848	\$1,002	\$1,002	\$1,639	\$15,246	\$196,354
2029	\$62,436	\$120,353	\$1,032	\$1,032	\$1,688	\$15,704	\$202,245
2030	\$64,309	\$123,964	\$1,063	\$1,063	\$1,739	\$16,175	\$208,312
2031	\$66,238	\$127,683	\$1,095	\$1,095	\$1,791	\$16,660	\$214,562
2032	\$68,225	\$131,513	\$1,128	\$1,128	\$1,845	\$17,160	\$220,998
2033	\$70,272	\$135,459	\$1,161	\$1,161	\$1,900	\$17,675	\$227,628
2034	\$72,380	\$139,523	\$1,196	\$1,196	\$1,957	\$18,205	\$234,457
2035	\$74,551	\$143,708	\$1,232	\$1,232	\$2,016	\$18,751	\$241,491
2036	\$76,788	\$148,019	\$1,269	\$1,269	\$2,076	\$19,314	\$248,736
2037	\$79,091	\$152,460	\$1,307	\$1,307	\$2,139	\$19,893	\$256,198
2038	\$81,464	\$157,034	\$1,346	\$1,346	\$2,203	\$20,490	\$263,884
2039	\$83,908	\$161,745	\$1,387	\$1,387	\$2,269	\$21,105	\$271,800
2040	\$86,425	\$166,597	\$1,428	\$1,428	\$2,337	\$21,738	\$279,954
2041	\$89,018	\$171,595	\$1,471	\$1,471	\$2,407	\$22,390	\$288,353
2042	\$91,689	\$176,743	\$1,515	\$1,515	\$2,479	\$23,062	\$297,003
2043	\$94,439	\$182,045	\$1,561	\$1,561	\$2,554	\$23,753	\$305,913
2044	\$97,273	\$187,507	\$1,608	\$1,608	\$2,630	\$24,466	\$315,091
2045	\$100,191	\$193,132	\$1,656	\$1,656	\$2,709	\$25,200	\$324,544
2046	\$103,196	\$198,926	\$1,706	\$1,706	\$2,790	\$25,956	\$334,280
2047	\$106,292	\$204,894	\$1,757	\$1,757	\$2,874	\$26,735	\$344,308
2048	\$109,481	\$211,040	\$1,809	\$1,809	\$2,960	\$27,537	\$354,638
2049	\$112,766	\$217,372	\$1,864	\$1,864	\$3,049	\$28,363	\$365,277
2050	\$116,149	\$223,893	\$1,920	\$1,920	\$3,141	\$29,214	\$376,235
2051	\$119,633	\$230,609	\$1,977	\$1,977	\$3,235	\$30,090	\$387,522
2052	\$123,222	\$237,528	\$2,037	\$2,037	\$3,332	\$30,993	\$399,148
2053	\$126,919	\$244,654	\$2,098	\$2,098	\$3,432	\$31,923	\$411,122
2054	\$130,726	\$251,993	\$2,161	\$2,161	\$3,535	\$32,880	\$423,456
2055	\$134,648	\$259,553	\$2,225	\$2,225	\$3,641	\$33,867	\$436,159
2056	\$138,687	\$267,340	\$2,292	\$2,292	\$3,750	\$34,883	\$449,244
2057	\$142,848	\$275,360	\$2,361	\$2,361	\$3,863	\$35,929	\$462,722
2058	\$147,133	\$283,621	\$2,432	\$2,432	\$3,978	\$37,007	\$476,603
2059	\$151,547	\$292,129	\$2,505	\$2,505	\$4,098	\$38,117	\$490,901
2060	\$156,094	\$300,893	\$2,580	\$2,580	\$4,221	\$39,261	\$505,628
2061	\$160,777	\$309,920	\$2,657	\$2,657	\$4,347	\$40,439	\$520,797
2062	\$165,600	\$319,217	\$2,737	\$2,737	\$4,478	\$41,652	\$536,421
2063	\$170,568	\$328,794	\$2,819	\$2,819	\$4,612	\$42,901	\$552,514
TOTAL	\$4,113,209	\$7,928,791	\$67,982	\$67,982	\$111,219	\$1,034,557	\$13,323,741

Source: Tiberius Solutions

Table 6 - Projected Impact on Taxing District Permanent Rate Levies – Education

FYE	Education			Subtotal	Total
	Salem Keizer School	Willamette Regional ESD	Chemeketa CC		
2022	\$0	\$0	\$0	\$0	\$0
2023	\$78,143	\$5,128	\$10,818	\$94,089	\$263,466
2024	\$80,487	\$5,282	\$11,143	\$96,912	\$271,370
2025	\$82,902	\$5,441	\$11,477	\$99,819	\$279,511
2026	\$85,389	\$5,604	\$11,821	\$102,814	\$287,897
2027	\$87,950	\$5,772	\$12,176	\$105,898	\$296,534
2028	\$90,589	\$5,945	\$12,541	\$109,075	\$305,430
2029	\$93,307	\$6,123	\$12,918	\$112,348	\$314,593
2030	\$96,106	\$6,307	\$13,305	\$115,718	\$324,030
2031	\$98,989	\$6,496	\$13,704	\$119,190	\$333,751
2032	\$101,959	\$6,691	\$14,115	\$122,765	\$343,764
2033	\$105,017	\$6,892	\$14,539	\$126,448	\$354,077
2034	\$108,168	\$7,099	\$14,975	\$130,242	\$364,699
2035	\$111,413	\$7,312	\$15,424	\$134,149	\$375,640
2036	\$114,755	\$7,531	\$15,887	\$138,173	\$386,909
2037	\$118,198	\$7,757	\$16,364	\$142,319	\$398,516
2038	\$121,744	\$7,990	\$16,855	\$146,588	\$410,472
2039	\$125,396	\$8,229	\$17,360	\$150,986	\$422,786
2040	\$129,158	\$8,476	\$17,881	\$155,515	\$435,470
2041	\$133,033	\$8,731	\$18,417	\$160,181	\$448,534
2042	\$137,024	\$8,992	\$18,970	\$164,986	\$461,990
2043	\$141,135	\$9,262	\$19,539	\$169,936	\$475,849
2044	\$145,369	\$9,540	\$20,125	\$175,034	\$490,125
2045	\$149,730	\$9,826	\$20,729	\$180,285	\$504,829
2046	\$154,222	\$10,121	\$21,351	\$185,694	\$519,973
2047	\$158,848	\$10,425	\$21,991	\$191,264	\$535,573
2048	\$163,614	\$10,737	\$22,651	\$197,002	\$551,640
2049	\$168,522	\$11,060	\$23,331	\$202,912	\$568,189
2050	\$173,578	\$11,391	\$24,031	\$209,000	\$585,235
2051	\$178,785	\$11,733	\$24,752	\$215,270	\$602,792
2052	\$184,149	\$12,085	\$25,494	\$221,728	\$620,876
2053	\$189,673	\$12,448	\$26,259	\$228,380	\$639,502
2054	\$195,363	\$12,821	\$27,047	\$235,231	\$658,687
2055	\$201,224	\$13,206	\$27,858	\$242,288	\$678,447
2056	\$207,261	\$13,602	\$28,694	\$249,557	\$698,801
2057	\$213,479	\$14,010	\$29,555	\$257,043	\$719,765
2058	\$219,883	\$14,430	\$30,441	\$264,755	\$741,358
2059	\$226,480	\$14,863	\$31,354	\$272,697	\$763,599
2060	\$233,274	\$15,309	\$32,295	\$280,878	\$786,507
2061	\$240,272	\$15,768	\$33,264	\$289,305	\$810,102
2062	\$247,480	\$16,241	\$34,262	\$297,984	\$834,405
2063	\$254,905	\$16,729	\$35,290	\$306,923	\$859,437
TOTAL	\$6,146,972	\$403,408	\$851,004	\$7,401,384	\$20,725,125

Source: Tiberius Solutions

Please refer to the explanation of the schools funding in the preceding section

Table 7 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2064.

The frozen base is the assessed value of the Plan Area established by the county assessor at the time the Plan is established. Excess value is the increased assessed value in the Plan Area above the frozen base.

Table 7 - Additional Revenues Obtained after Termination of Tax Increment Financing in FYE 2064 (Year after Termination)

Taxing District	From Increment Value	Total
General Government		
Marion County	181,119	181,119
City of Salem	349,132	349,132
Marion Soil & Water	2,993	2,993
Marion County Extension & 4H	2,993	2,993
Regional Library	4,897	4,897
Salem Mass Transit	45,555	45,555
Subtotal	\$ 586,690	\$ 586,690
Education		
Salem Keizer School	270,672	270,672
Willamette Regional ESD	17,763	17,763
Chemeketa CC	37,473	37,473
Subtotal	325,908	325,908
TOTAL:	\$ 912,598	\$ 912,598

Source: Tiberius Solutions

IX. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF TIF DISTRICTS/URBAN RENEWAL AREA

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 15% for municipalities over 50,000 in population. As noted below, the frozen base of the Jory Apartments TIF District (assumed to be FYE 2020 values) is projected to be \$0. The total assessed value of the City is \$11,227,79,757. The increment of the existing urban renewal areas is \$739,274,360. To get the total percentage of assessed value in urban renewal, you divide the total assessed value of the City minus the increment of the urban renewal areas by the frozen base values of the urban renewal areas. In Salem, this results in 3.97% of the City’s assessed value being located in the urban renewal, which is below the 15% threshold. This is shown in Table 8.

Table 8- Assessed Value Statutory Limit Verification

Salem Urban Renewal Areas	Frozen Base	Increment
North Gateway	\$133,430,867	\$256,495,856
Riverfront Downtown	\$43,292,931	\$263,051,195
West Salem	\$141,630,333	\$ -
Mill Creek	\$1,012,524	\$127,330,481
McGilchrist	\$103,002,366	\$63,226,321
South Waterfront	\$23,799,930	\$29,170,507
Jory Apartments	\$ -	\$ -
TOTAL:	\$446,168,951	\$739,274,360
Calculation		
A. City of Salem Total AV		11,227,739,757
B. Total Frozen Base of URAs		\$446,168,951
C. Total Increment of URAs		\$739,274,360
D. Frozen Base as % of City		3.97%
AV: B/(A-C)		

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of Salem and Marion County Department of Assessment and Taxation (FYE 2020)

AV – assessed value

Frozen base – assessed value the urban renewal area at the time it is established

Increment – increased assessed value over the frozen bas

URA – urban renewal area

The Jory Apartments TIF District contains 11.87 (shown as 12 rounded) acres. There are 3,390 acres in urban renewal in other urban renewal areas in the City. The City contains 31,008 acres. This results in 10.93% of the City’s acreage being located in urban renewal, which is below the 15% threshold.

Table 9- Acreage Statutory Limit Verification

Salem URAs	Acreage
North Gateway	929
Riverfront	290
Downtown	
West Salem	453
Mill Creek	828
McGilchrist	437
South Waterfront	441
Jory Apartments	12
<i>Total</i>	3,390
City of Salem	31,008
URA as % of City of Salem	10.93%

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of Salem

X. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the Plan Area Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. *Physical Conditions*

1. Land Use

The Plan Area measures 11.87 total acres in size. The present land use is vacant publicly owned property.

2. Zoning and Comprehensive Plan Designations

The zoning designation is Multi-Family Residential II and the Comprehensive Plan designation for the area is Multi-Family Residential.

B. *Infrastructure*

This section identifies the existing conditions in the Plan Area to assist in **establishing blight in the ordinance adopting the Plan. This does not mean that all of these projects are included as projects to be undertaken in the Plan.** The specific projects that are included in the Plan are listed in Section II of this Report.

1. Transportation

The proposed development abuts future 25th Street NE. This street is designated as a future local street in the Salem Transportation System Plan (“TSP”). As required by land use case SUB-UGA17-05, adequate right-of-way will be dedicated, and the street will be improved to meet the Local street standard. If the street is not constructed prior to final occupancy, the applicant shall construct the full boundary street improvement of 25th Street NE from Center Street NE to D Street NE to Local street standards as determined in the Salem TSP and in accordance with Salem Revised Code Chapter 803 and Public Works Design Standards

There is presently no public pedestrian pathway on the site. There is presently no interior transportation system that provides multimodal access from 25th Street NE to the eastern boundary of the site.

2. Other Utilities

The water, sewer, and storm infrastructure are available within surrounding streets/areas and are adequate to serve the site. As stated in their subdivision application, the developer is proposing to connect to a future 8-inch water main and

future 10-inch stormwater main to be located in 25th Street NE, to be constructed by others. They are also proposing to connect to a future 8-inch sewer main to be developed with future subdivision of Lot 1 of land use case number CPC-ZC-SUB-ADJ19-02. If the water and storm infrastructure is not yet available in 25th Street NE, the applicant shall extend water and stormwater mains as needed along the property frontage in the future 25th Street NE right-of-way. The sewer main shall be constructed as part of the future subdivision of Lot 1 of land use case number CPC-ZC-SUB-ADJ19-02; the final plat of which shall be recorded prior to the issuance of building permits.

C. Social Conditions

The Plan Area is one parcel with no existing residents. The Salem Housing Authority has a waiting list of approximately 6,000 individuals and families in need of affordable housing. Affordable housing and homelessness are high priorities within the City according to both community survey results and the City’s Strategic Plan adopted in the fall of 2017. Affordable housing was listed as one of the priority areas in the Strategic Plan with the desired outcome to increase the supply of housing options.

The social conditions are for the block group within the census tract within which this property lies. According to the US Census Bureau, American Community Survey 2013-2017 Five Year Estimates, the block group that most closely represent the Plan Area has 2,753 residents, 78% of whom are white.

Table 10 - Race in the Area

Race	Number	Percent
White alone	2,138	78%
Black or African American alone	150	5%
American Indian and Alaska Native alone	32	1%
Asian alone	79	3%
Native Hawaiian and Other Pacific Islander alone	28	1%
Some other race alone	233	9%
Two or more races	93	3%
TOTAL	2,753	100%

Source: American Community Survey 2013-2017 Five Year Estimates

The largest percentage of residents are between 35 to 44 years of age (15%).

Table 11 - Age in the Area

Age	Number	Percent
Under 5 years	197	7%
5 to 9 years	293	11%
10 to 14 years	124	5%
15 to 17 years	172	6%
18 to 24 years	260	9%
25 to 34 years	299	11%
35 to 44 years	419	15%
45 to 54 years	277	10%
55 to 64 years	296	11%
65 to 74 years	247	9%
75 to 84 years	107	4%
85 years and over	62	2%
TOTAL	2,753	100%

Source: American Community Survey 2013-2017 Five Year Estimates

In the block group, 15% of adult residents have earned a bachelor’s degree or higher. Another 37% have some college education without a degree, and another 32% have graduated from high school with no college experience.

Table 12 - Educational Attainment in the Area

Educational Attainment	Number	Percent
Less than high school	274	16%
High school graduate (includes equivalency)	546	32%
Some college	457	27%
Associate's degree	174	10%
Bachelor's degree	188	11%
Master's degree	63	4%
Professional school degree	0	0%
Doctorate degree	5	0%
TOTAL	2,753	100%

Source: American Community Survey 2013-2017 Five Year Estimates

The most common travel time to work class was 10 to 19 minutes, with 42% of journeys being in this class. This was followed by less than 10 minutes and 20 to 29 minutes travel time, both of which represented 21% of journeys.

Table 13 - Travel Time to Work in the Area

Travel Time	Number	Percent
Less than 10 minutes	185	21%
10 to 19 minutes	379	42%
20 to 29 minutes	187	21%
30 to 39 minutes	86	10%
40 to 59 minutes	26	3%
60 to 89 minutes	7	1%
90 or more minutes	26	3%
TOTAL	2,753	100%

Source: American Community Survey 2013-2017 Five Year Estimates

Of the means of transportation used to travel to work, the majority, 73% drove alone with another 10% carpooling

Table 14 - Means of Transportation to Work in the Area

Means of Transportation	Number	Percent
Drove alone	670	73%
Carpooling	87	10%
Using Public Transportation	64	7%
Bicycling	26	3%
Walking	49	5%
Working at home	19	2%
TOTAL	2,753	100%

Source: American Community Survey 2013-2017 Five Year Estimates

D. Economic Conditions

1. Taxable Value of Property within the Plan Area

According to the Marion County Department of Assessment and Taxation, the property is not taxable in FYE 2020 as it is in public ownership. In addition to being in public ownership, the site is presently vacant and not contributing its fair share to the overall tax base of the City.

E. Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Plan Area (affected taxing districts) is described in Section VII of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of TIF District funding are for developer incentives to assist in the development of affordable housing in Salem and administration of this project.

Development in the Plan Area will require City services. This development is inside the urban growth boundary and the City is expecting to provide services to the property. As the development will be new construction, it will be up to current building code and will aid in any fire protection needs.

The financial impacts from tax increment collections will be countered by affordable housing production and, in the future, adding future increased increases in assessed value to the tax bases for all taxing jurisdictions, including the City.

XI. REASONS FOR SELECTION OF EACH PLAN AREA IN THE PLAN

The reason for selecting the Plan Area is to provide the ability to fund developer incentives necessary to cure blight within the Plan Area. The area is underdeveloped and has a prevalence of depreciated values to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered. Although the property is presently in public ownership, even if it was in private ownership, the lack of development meets the standard of depreciated values. The Plan Area does not have adequate streets and other rights of way, open spaces or utilities.

XII. RELOCATION REPORT

There is no relocation report required for the Plan. No specific acquisitions that would result in relocation benefits have been identified. However, if property is acquired that requires relocation, the Agency shall comply with applicable relocation requirements.